

Message Text

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INFO AMEMBASSY LIMA
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AMEMBASSY SANTIAGO
USCINCSO J2 QUARRY HEIGHTS CZ

C O N F I D E N T I A L SECTION 1 OF 2 LA PAZ 3742

E.O. 11652: GDS
TAGS: ELAB, BL
SUBJECT: THE STATE OF BOLIVIAN UNION ELECTION PROCESS

REF: LA PAZ 2757

1. SUMMARY. ALL BOLIVIAN LABOR SECTORS ARE NOW COMPLETING THE ELECTION OF OFFICERS FOR THEIR DEPARTMENTAL FEDERATIONS WITH ELECTIONS AT THE NATIONAL FEDERATION AND CONFEDERATION LEVELS EXPECTED TO TAKE PLACE IN LATE MAY OR EARLY JUNE. THUS FAR, AS EXPECTED, LEFTISTS ELEMENTS ARE WINNING CONTROL OF TWO KEY SECTORS, THE MINeworkERS AND THE URBAN TEACHERS. IN TWO OTHER SECTORS, THE BANKWORKERS AND RAILROAD WORKERS, A STRUGGLE IS NOW UNDER WAY BETWEEN MODERATES WHO HAVE SERVED AS NATIONAL COORDINATORS AND TRADE UNIONISTS OF UNCERTAIN POLITICAL LOYALTIES. IN ALL OTHER SECTORS MODERATES OR INDEPENDENTS HAVE BEEN WINNING AND ARE EXPECTED TO BE ELECTED AT THE NATIONAL CONFEDERATION LEVEL. ONCE THE ELECTION PROCESS IS COMPLETED THE GOB WILL PROBABLY BE PRESENTED WITH WIDESPREAD DEMANDS FOR WAGE INCREASES. HOW MODERATE OR EXTREME THESE DEMANDS ARE AND HOW QUICKLY THE GOB WILL BE FORCED TO RESPOND IS UNCLEAR. SO FAR, THE RADICAL LEFT AND LABOR SECTORS HAVE AVOIDED ACTIONS WHICH
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COULD UPSET BOLIVIA'S ELECTION PROCESS, THE PEACEFUL MAY DAY PARADE A SIGNIFICANT EXAMPLE OF THIS. IT REMAINS TO BE SEEN WHETHER LABOR, WHICH HAS BEEN VIRTUALLY EXCLUDED FROM EFFECTIVE POLITICAL PARTICIPATION FOR THREE YEARS PRIOR TO THE RESTORATION OF UNION RIGHTS, WILL OPT FOR A COOPERATIVE POLICY WITH WHICHEVER GOVERNMENT IS ELECTED IN JULY, OR WHETHER IT WILL ADOPT A CONFRONTATIONAL POSTURE.

2. THE MAJOR UNKNOWN REMAINS LONG-TIME LABOR LEADER JUAN LECHIN OQUENDO, WHO CONTINUES TO MAINTAIN A LOW PROFILE. THE RESULTS OF THE UPCOMING MINERS FEDERATION CONGRESS, AND LECHIN'S ROLE IN IT, WILL HAVE AN IMPORTANT EFFECT IN DETERMINING WHAT LABOR WILL DO OVER THE NEXT FEW MONTHS. END SUMMARY

3. ALL BOLIVIAN LABOR SECTORS HAVE NOW SUBSTANTIALLY COMPLETED THE ELECTION OF OFFICERS AT THE LOCAL UNION LEVEL AND ARE NOW FINISHING AS WELL THE SECOND STAGE OF THE ELECTION PROCESS, I.E., THE ELECTION OF OFFICERS OF THE DEPARTMENTAL FEDERATIONS. THE FINAL STAGE, THE ELECTION OF OFFICERS OF THE CONFEDERATIONS AND NATIONAL FEDERATIONS, IS EXPECTED TO TAKE PLACE IN LATE MAY OR EARLY JUNE, THOUGH THERE COULD BE SOME SLIPPAGE IN A FEW SECTORS.

4. FROM THE RESULTS OF THE ELECTIONS HELD THUS FAR THROUGH THE DEPARTMENTAL FEDERATION LEVEL IT NOW APPEARS CLEAR THAT LEFTIST ELEMENTS WILL WIN CONTROL OF TWO IMPORTANT SECTORS, THE MINeworkERS AND THE URBAN TEACHERS. IN THE KEY MINING SECTOR THE MAJOR UNION ELECTIONS, INCLUDING BOLIVIA'S LARGEST AND MOST INFLUENTIAL UNION AT SIGLO (BUT WITH THE EXCEPTION OF HUANUNI), HAVE BEEN WON BY INDIVIDUALS ASSOCIATED WITH THE EXTREME LEFT. IN ALMOST ALL OF THE SMALLER UNIONS OF THE STATE-OWNED MINING COMPANY, COMIBOL, MIXED SLATES CONTAINING LEFTISTS OF VARIOUS POLITICAL PERSUASIONS HAVE BEEN ELECTED. CONFIDENTIAL

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THE MINERS FEDERATION (FSTMB) IS DUE TO HOLD ITS NATIONAL CONGRESS MAY 22-26 IN LA PAZ. WHILE IT IS A FOREGONE CONCLUSION THAT LONG-TIME LABOR LEADER JUAN LECHIN WILL BE RE-ELECTED EXECUTIVE SECRETARY OF THE FSTMB, A FIGHT MAY DEVELOP FOR THE OTHER ELECTED POST BETWEEN THE MODERATE LEFT AND THE MORE EXTREME LEFT. THE RESULTS COULD HAVE A MAJOR IMPACT ON THE ROLE THAT THE LABOR MOVEMENT DECIDES TO PLAY OVER THE NEXT FEW CRITICAL MONTHS.

5. IN THE IMPORTANT URBAN TEACHERS SECTOR NO DATE HAS YET BEEN ANNOUNCED FOR THE NATIONAL CONGRESS. THE EXTREME LEFT HAS WON CONTROL OF MOST OF THE LARGEST FEDERATIONS (REFTEL). THE LA PAZ FEDERATION RECENTLY CALLED FOR THE EXPULSION OF AIFLD AND ORIT FROM BOLIVIA (ALTHOUGH ORIT HAS NOT OPERATED IN BOLIVIA SINCE IT WAS EXPELLED BY THE OVANDO ADMINISTRATION IN 1970). TO DATE THE PROPOSAL FOR AIFLD'S EXPULSION HAS RECEIVED LITTLE PUBLICITY AND NO PUBLIC SUPPORT FROM ANY OTHER LABOR SECTOR. THE NEWLY-ELECTED LEADERSHIP OF THE LA PAZ FEDERATION HAS ALSO SHARPLY REVISED UPWARD THE SALARY DEMANDS PREVIOUSLY SUBMITTED TO THE MINISTRY OF EDUCATION BY THE FORMER COORDINATORS FROM \$B6,000 TO \$B9,800 PER MONTH (TEACHERS NOW AVERAGE \$B2,000 PER MONTH). THE MINISTRY OF

EDUCATION IS NOW STUDYING THE PROPOSAL, BUT IT IS CLEAR THAT
A VERY WIDE GULF NOW EXISTS BETWEEN THE TWO SIDES.

6. IN THE BANKWORKERS SECTOR TWO OF THE THREE NATIONAL
COORDINATORS HAVE BEEN ELECTED TO HEAD THEIR RESPECTIVE
DEPARTMENTAL FEDERATIONS. THIS IS NOT SURPRISING IN THIS
SECTOR BECAUSE THE GOB HAD FORMALLY NAMED THESE INDIVIDUALS
NATIONAL COORDINATORS ONLY AFTER THEY HAD BEEN PREVIOUSLY
ELECTED TO BE COORDINATORS BY THE BANKWORKERS THEMSELVES
(COORDINATORS WERE NOT ELECTED IN ANY OTHER SECTOR). HOWEVER, IN
THE DEPARTMENT OF LA PAZ A SPLIT HAS DEVELOPED BETWEEN THE THIRD
NATIONAL COORDINATOR, SUPPORTED BY EIGHT LOCAL UIONS, AND AN
OPPOSITION GROUP OF UNCERTAIN POLITICAL LOYALTIES SUPPORTED
BY 12 LOCAL UNIONS. A SLATE OF OFFICERS SUPPORTED BY THE
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OPPOSITION GROUP RAN UNCONTESTED IN THE ELECTION FOR THE
DEPARTMENTAL FEDERATION, BUT THE COORDINATOR SUPPORTED INITIALLY
BY THE MINISTER OF LABOR, OPPOSED CERTIFICATION OF THE ELECTION
RESULTS BECAUSE OF AN APPARENT ANOMALY IN THE ELECTION PROCESS.

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NSAE-00 SIL-01 PA-01 ICA-11 AID-05 /055 W
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HOWEVER, THE MINISTER OF LABOR, FACED WITH A THREAT
OF A PARTIAL WORK STOPPAGE IN THE BANKING SECTOR, BACKED
DOWN AND AGREED TO CERTIFY THE ELECTION RESULTS. IRONICALLY,

ALTHOUGH THE COORDINATOR THEREBY LOST CONTROL OF HIS OWN DEPARTMENT, HE MAY HAVE SUFFICIENT STRENGTH ELSEWHERE IN THE COUNTRY TO BE ELECTED SECRETARY GENERAL OF THE NATIONAL CONFEDERATION.

7. IN THE RAILROAD SECTOR A BITTER STRUGGLE IS UNDER WAY BETWEEN COORDINATOR JUAN SANJINES OBANDO, A MACHINE-TYPE POLITICIAN WHO HAS CONTROLLED THIS SECTOR FOR MANY YEARS, AND A COALITION OF DISPARATE ELEMENTS, APPARENTLY INCLUDING MINISTER OF LABOR MARIO VARGAS, WHO ARE TRYING TO DEPOSE HIM. SANJINES LOST ROUND ONE WHEN THE CANDIDATE HE SUCCESSFULLY BACKED FOR ELECTION TO HEAD HIS (SANJINES') LOCAL UNION TURNED AGAINST HIM. HE LOST ROUND TWO LAST WEEK WHEN A COALITION WHICH PROBABLY INCLUDED SOME LEFTISTS DEFEATED HIM AT THE FEDERATION LEVEL. HOWEVER, SANJINES, WHO IS DIRECTOR OF LABOR AFFAIRS FOR THE MNR FACTION SUPPORTING GEN. PEREDA, TOLD THE LABATT MAY 10 THAT PEREDA HAS BEEN PERSUADED, BY THE THREAT OF AN MNR WITHDRAWAL FROM HIS CAMPAIGN, TO FORCE MINISTER OF LABOR VARGAS TO SUPPORT SANJINES FINANCIALLY FOR ELECTION AS EXECUTIVE SECRETARY OF THE CONFIDENTIAL

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CONFEDERATION. THIS ELECTION IS EXPECTED TO TAKE PLACE IN LATE MAY.

8. IN ALL THE OTHER SECTORS, INCLUDING THE RETAIL CLERKS (THE ONLY ORIT AFFILIATE IN BOLIVIA); RURAL TEACHERS; RESTAURANT WORKERS; PETROLEUM WORKERS; LIGHT, TELEPHONE AND TELEGRAPH WORKERS; HIGHWAY WORKERS; SELF-EMPLOYED TRANSPORT WORKERS; ARTISANS; CONSTRUCTION WORKERS; AND RADIO AND TELEVISION WORKERS, MODERATES OR INDEPENDENTS ARE EXPECTED TO CONTINUE WINNING THROUGH THE CONFEDERATION LEVEL. IN THE FACTORY WORKERS SECTOR (FABRILES) LEFTISTS HAVE WON CONTROL OF SOME INDIVIDUAL UNIONS, INCLUDING SOME OF THE LARGEST UNIONS, AND COULD WIN CONTROL OF THE COCHABAMBA FEDERATION, BUT MODERATES HAVE WON THE MAJORITY OF THE UNION AND FEDERATION ELECTIONS AND ARE EXPECTED TO WIN AT THE NATIONAL CONFEDERATION LEVEL.

9. THUS, WHILE THE LEFT IS WINNING CONTROL OF TWO OF BOLIVIA'S MOST IMPORTANT UNIONS (AS WELL AS THE SMALL PRINTERS UNION), IT APPEARS THAT THE GREAT MAJORITY OF BOLIVIA'S LABOR SECTORS WILL ELECT MODERATE OR INDEPENDENT LEADERS.

10. ONCE THE UNION ELECTION PROCESS IS COMPLETED (IN MOST SECTORS BY EARLY JUNE), IT IS EXPECTED THAT THE GOB WILL BE PRESENTED WITH WIDESPREAD DEMANDS FOR WAGE INCREASES. HOW MODERATE OR EXTREME THESE WAGE DEMANDS ARE AND HOW QUICKLY THE UNIONS PRESS FOR ACTION WILL HAVE AN IMPORTANT IMPACT BOTH ON THE ELECTION PROCESS AND ON THE STABILITY OF WHATEVER GOVERNMENT TAKES OFFICE IN AUGUST. THE FACT THAT THE GREAT MAJORITY OF UNIONS ARE EXPECTED TO BE CONTROLLED BY MODERATES

OR INDIPENDENTS IS ENCOURAGING. SO IS THE FACT THAT THUS FAR
THE NEWLY-ELECTED LEADERS, WITH THE EXCEPTION OF THE URBAN
TEACHERS, HAVE REFRAINED FROM ANY PROVOCATIVE FOR EXTREME
ACTIONS.

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11. THE MAJOR UNKNOWN REMAINS JUAN LECHIN OQUENDO, LONG-
TIME LEFTIST LEADER OF THE MINEWORKERS AND OF THE CENTRAL OBRERA
BOLIVIAN (COB). LECHIN CONTINUES TO MAINTAIN A LOW PROFILE
(HE WAS REPORTEDLY ILL ON MAY DAY AND DID NOT SPEAK) AND HE
DECLINED TO BE NOMINATED AS THE PRESIDENTIAL CANDIDATE OF
HIS OWN POLITICAL PARTY, THE PRIN, SAYING HE WANTED TO DEVOTE
HIS TIME TO TRADE UNION AFFAIRS. LECHIN REPORTEDLY HAS BEEN
REFUSING REQUESTS THAT HE TRAVEL MORE, ACCEPT SPEAKING ENGAGE-
MENTS, ETC., AND IT MAY WELL BE THAT HE IS AILING. THUS FAR,
LECHIN HAS NOT SAID OR DONE ANYTHING WHICH WOULD INDICATE
WHETHER OR NOT HE INTENDS TO USE THE FSTMB OR THE COB TO STIR
UP THE LABOR SCENE. IN FACT, HE HAS YET TO SET A DATE FOR THE
FIRST MEETING OF THE COB, AN ENCOURAGING SIGN BY ITSELF, SINCE
THE COB WOULD SERVE AS AN EXCELLENT FORUM FOR THE LEFT TO
PRESENT THEIR DEMANDS AGAINST THE GOB. HOWEVER, LECHIN HIMSELF
MAY NOT BE ABLE TO CONTROL SOME OF THE EXTREME LEFTISTS WHO
ARE VYING FOR POWER IN THE MINING AND URBAN TEACHERS SECTORS.
CLEARLY, THE RESULTS OF THE FSTMB CONGRESS (MAY 22-26) WILL HAVE
AN IMPORTANT EFFECT IN DETERMINING HOW RESPONSIBLE A ROLE LABOR
WILL PLAY IN BOLIVIA OVER THE NEXT FEW VERY IMPORTANT MONTHS.
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